

Leisure
Time
Electronics

REPORTS

The Show Daily Written Entirely At CES

Chicago

June 2, 1981

TEAC, BASF JOIN IN TAPE PROMOTION -- GET FIVE...BUY ONE

TEAC Corp. of America and BASF Systems announced a joint hardware/software promotion last night at the BASF press conference. The deal is five free BASF Professional II pure chromium dioxide cassettes with the purchase of any TEAC cassette deck, and it's being offered through all authorized TEAC dealers in major metropolitan areas. "The idea is to help the retailer and increase sales through the combination of top-quality decks and cassettes," says Barry Goldman, TEAC vp/marketing and sales. "The complimentary BASF cassettes give customers an extra incentive to consider TEAC's products, and the added value should prompt many into buying now instead of putting off a purchase." Mark Dellaferra, BASF marketing director, adds, "We consider getting trial of our improved cassettes the key to greater sales, and this promotion is a great trial vehicle."

NEW YORK HI-FI SHOW POSTPONED; NEXT TO BE IN LA IN NOVEMBER

The next Los Angeles Hi-Fi Stereo Music Show will be held in LA's downtown California Mart on Nov. 20 through 22, says show producer Terry Rogers. She reports the New York show that had been scheduled for October has been postponed until next May because of two recent fires in the New York Statler, the site of the affair.

NO FLOP HERE

"The floppy disc is fantastic!" exclaims Mark Stenehjelm of Maxell Corporation, noting that because of the growth within the industry of the personal computer, "people are no longer gun-shy about the word 'computer,' people are realizing the market potential. With the floppy disc, we're realizing the growth of the personal computer ten times."

KLOSS VIDEO ADDS LOW-COST NOVABEAM MONITOR, 10-FOOT FLAT SCREEN

"People are beginning to agree that the natural way to watch television is on a big screen," says Henry Kloss, president, Kloss Video, which is introducing a Novabeam monitor and a 10-foot flat screen. The first Novabeam projection video monitor for home use is to sell at a substantially reduced retail price of under \$2,500, or about \$600 to \$1,500 less than other home projection machines on the market. Kloss agrees with other industry estimates of a large increase in projection sales, up to 100,000 units.

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DAILY EVENTS

Day 3 begins at 9 a.m. with a video conference on new sources of TV programming and marketing video product. At 2 p.m. SCES presents its retail merchandising workshop. It all takes place in the Lindheimer Room, McCormick Place.

SANSUI HERE WITH BOTH DISCS, SAYS VCR STILL TOPS

Tom Yoda, vice president, marketing and sales at Sansui, says one of the most popular attractions in the company's booth on the Mall is its new 6-hour VHS videocassette recorder, scheduled for fall delivery. Sansui also has both VHD and CED videodiscs on display but hasn't yet decided which format to market. Yoda says that showgoers seem to be interested in the VCR because it will give dealers a video product with a respected hi-fi brand that will attract audio enthusiasts.

MAXELL OFFERS 3 PROMOS, REPORTS GREAT SUCCESS AT SHOW

Maxell has written more than \$2 million worth of business at SCES, more than at any other show in the past several years, says national sales manager Michael Standley. He attributes the increase to the growing consumer awareness of the Maxell brand, plus three new and very well-received promotions. As a show special, Maxell is giving an Olympus XA-2 camera -- on the spot -- to any dealer who puts in an order for \$5,000 worth of standard product. The other promotion, for the consumer, is a buy-12, get-2-free campaign for customers who purchase UDXL cassettes. The company also offers a free head demagnetizer to any customer who buys four UD-3590 open-reel tapes.

WOMEN BUY 48% OF CALCULATORS, SHARP STUDIES SHOW

Sharp revamped its advertising strategy for calculators, changing cosmetics and placing ads in women's magazines, after company market research showed women are buying 48% of calculators today, reports Bob Gordon, national sales manager for Sharp calculators. He expects sales of handheld printers to be as strong this fall as at spring tax time because of lower price points and smaller size. "Solar models also are taking off and will be a boon to the replacement market," Gordon says, because they can be promoted as low as \$6 with the line, "You never have to buy a battery."

DO-IT-YOURSELF PRESS KIT AVAILABLE TO DEALERS FROM 3M

A fill-in-the-blanks set of press releases, plus instructions on how to work with the media and how to take good press photos, are part of a press kit 3M prepared for dealers who want to conduct record care clinics. Available from 3M press people, the kit "is part of our dealer support efforts that are aimed at traffic for the retailer and product trial for 3M," says Joe Williams, sales/marketing manager for the 3M home entertainment products.

ACTIVISION APPOINTS UNITED KINGDOM DISTRIBUTOR

Independent video game cartridge producer Activision Inc. announces the signing of a long-term distribution agreement with Computer Games Ltd. of London, representing Activision's first major entry into international markets.

IN CONFIDENCE

A Toronto-based manufacturer of high-quality, uniquely designed home speaker systems requires reps in various areas....There's a headhunting agency here looking for an international product manager for autosound; salary to \$35K with three years experience. The same group has a job on file for a national sales manager of durable goods with five years experience; salary to \$60K....If you are looking to fill a void in your organization or believe you are qualified to fill any of the above-mentioned posts, contact LTE in booth P-29 at the show or call LEISURE TIME ELECTRONICS after SCES at 212-953-0230.

KENWOOD'S FIRST VIDEO ENTRY, DELUXE VCR, SET FOR FALL DELIVERY

Kenwood's initial entry into video, a deluxe VCR in the VHS format which was announced Saturday without prices or delivery, will be available this fall at a price of \$1,200, Henry Akiya, vice president/product, said yesterday. Dealer reaction to the prototype on view here prompted the decision on marketing specifics. "Although Kenwood's reputation is built on quality audio products, the move into video is part of the integration of audio and video that is occurring in the marketplace. More than 70% of Kenwood dealers already carry VCR products," Akiya adds.

DICTOGRAPH OFFERS FREE PHONE CONTROLLERS FOR AD ALLOWANCE

Dictograph has a show special on quantity orders of the Phone Controller. Martin Gold, director of marketing, says customers ordering 1,000 units qualify for 37 free units. Gold explains, "This offer is in lieu of an ad allowance and works out to the equivalent of \$7,500." Orders at the show also get one free phone controller for every 20 ordered. The offer expires June 12.

TELEVISION HEADS FOR RECORD 11 MILLION YEAR, EXECS PREDICT

Color television sales will reach 11 million units this year if current rates of sale continue throughout the year, agree most of the television executives here. "The sales mix is shifting rapidly to emphasis on 13- and 19-inch sizes as second and third sets, or even more, almost standard in today's homes," says William Campbell, vp and national sales manager for Magnavox, adding that "the console business is remaining stable but buyers are choosing remote control and other step-up features. It's the high end and the low, not the middle, that are selling." Projection television also will show strong sales growth this year, says Lud Huck, general manager, TV marketing, General Electric, who expects "at least 85,000 to 100,000 projection units will go into homes this year, up from about 55,000 last year." Huck emphasizes that GE will continue to sell b/w sets under its brand name although it plans to phase out domestic production in Portsmouth, Va., by 1983. Citing severe cost pressures for the ending of production in the U.S., Huck says discussions are continuing on where to have future monochrome sets manufactured.

MESA ELECTRONICS IMPORTING MEXICAN MODELS

Mesa Electronics is importing three Mexican models, two changers and one turntable, from Manufacturas Electronicas S.A., which is affiliated with Somex Corporation. Somex has committed 1.5 billion dollars in the coming year to promote state-of-the-art exportation. Mesa's M. Sue Goldberg says shipping has begun throughout the U.S.

QUOTE OF THE DAY

"The meeting rooms upstairs are full." Tom Yoda, vice president, marketing and sales, Sansui, discussing how business has been in his booth on the Mall.

ATTENDANCE APPARENTLY UP DESPITE SLIGHTLY LOWER REGISTRATION

New registrations yesterday to 1 p.m. totaled 4,602, compared with 3,586 on the second day last year. Judging by waits to get on escalators and crowded booths, attendance seemed to be higher this year although total pre- and on-site registration are down by 2,390 from 1980.

RUMOR OF THE DAY

The SCES grapevine has it that a group of execs and engineers at a famous hi-fi speaker company in Massachusetts got themselves arrested by setting off explosions on a certain mountain near a certain lake. The sound rolled down the mountain and into three counties, and cops from three neighboring towns showed up to find out what was going on. But everything turned out okay, and you can now listen to tapes of the explosions by visiting a certain audio-visual display promoting a certain new speaker. For more details, see the story on the AV demonstration that was published in this newsletter yesterday.

SONY SAYS NO DEALS MADE WITH KODAK OR OTHER CAMERA MANUFACTURERS

Contrary to reports in some trade publications, Sony Corp. says no co-operative arrangements have been made with camera manufacturers on licensing or production of the Sony Video Movie System. A Sony spokesman reports Kodak and other camera manufacturers were invited to see the Video Movie system in Japan but no deals were made, and Kenji Tamiya, executive vice president, commented at Sony's pre-SCES dealer showing that "The camera people think 20 minutes is a long time; we don't. They probably will go ahead without a standard product."

VCR STANDARDIZATION GETS PUSH AT MATSUSHITA TECHNOLOGY EXHIBIT

The possibility of agreement on standardization of specs for the coming one-piece VCR/camera is getting a push here at SCES. High-level executives of major VCR manufacturers have been observed receiving demonstrations of the Matsushita entry as they toured the Matsushita Technology Today exhibit in the company of Matsushita leaders.

MR. MOVIE TO OPEN THREE MORE STORES IN CANADA

Ft. Lauderdale, Florida-based Mr. Movie franchise reports three more stores will open in Ontario, Canada, soon, bringing to six the number of outlets open up north. New chain, led by Fred Massaro, hopes to have 50 stores up and running in the U.S. by the end of the year. Entrepreneur Massaro says chain will continue to concentrate on video market but intends to add computers in the future. He reports he's here to buy as well as to look for potential store owners. Qualified candidates would receive all the necessities to set up shop. Massaro will entertain ideas from dealers who wish to convert. He can be found at 800-327-8271.

SO HOW'S THE SHOW?

Michael Standley, Maxwell Corp.: "Yes! Yes! At this show we are writing more business than we have before. We expect to do more than two million in audio. We are selling all we make of audio tape."....Al Groh, Texas Instruments: "Incredible! It is an extremely successful show for us in terms of attracting distributors and working out programs. Best show we have been to so far!"....John S. Lehan, Michigan retailer: "It is much larger than I thought. I am excited by what I see. It is a good show; there is a little of everything here. Things I never thought of before!"....Bill Wilson, California retailer: "I like it. I'm impressed. I have placed some orders and found a couple of surprises, but Vegas is easier to get around!"....Larry Kramer, Texas retailer: "So far it looks very, very good. There are a lot of good things here, and I'm looking forward to seeing a lot more."....Larry Reichenstein, Leisurecraft: "Super! It is a very good show. We are writing orders and there is more interest in telephones this year."

TDK DOESN'T NEED SALES GIMMICKS, VP KOHDA DECLARES

TDK has become so successful in the marketplace that it doesn't have to resort to price-cutting, special deals or "tremendous incentive programs" to sell through to the consumer, says Ken Kohda, vice president and general manager. "Today's consumer is looking for quality and value in a recording tape, not just a promotionalized, cheaper price," he explained, adding that TDK has become such a popular brand that it's just "naturally in demand." Asked what types of dealers the company is aiming at in today's changing market, Kohda replied: "We're not choosing our dealers; our dealers are choosing us. Our dealers know the tape market, sometimes more than we do. If a dealer wants the product and has the money, we sell it to him; what else can we say?"

NEW AND NOTEWORTHY

ComRadar has a new scanner, the Fox BMP (Base, Mobile, Portable) 10/60....Magnavox has an adventure/video game: The Quest For The Rings....Novag's PortaPulse palm-sized electronic pulse monitoring computer and the Alert-U palm-sized portable smoke alarm that detects smoldering fires....Sharp's one-piece portable VCR (no separate tuner, timer, or recorder), a 22-lb. unit with 2-hour play/record, still frame, visual search, and 10-pin camera connector....National Semiconductor is showing equipment using its new noise reduction chip that requires no encoding/decoding....Comprehensive Video Supply introduces a broad selection of video cables, connectors, adapters, maintenance supplies and accessory items in new, attractive, easy to identify packaging....Teledyne Acoustic Research's 10-inch speaker, the AR48S, with suggested \$200 retail....RCA's new ColorTrak 2000 with separate bass and treble for stereo sound and either two input or two output jacks....Kenwood's in-dash cassette receiver, 2 high-power amps and four speaker systems....Creative Computing of Morris Plains, N.J., offers a free 48-page catalog with more than 150 photos and listing more than 200 products....Video Magazine's new consumer book, Electronic Games, which will debut October 15 and be distributed by Dell....JVC's new R-5000SP compact stereo features a one-piece cassette deck/receiver....Fuji's new 3-pack promotion of its FL (low-noise, normal bias) tape is aimed at mass merchandisers and record stores....Jensen Home Audio launches what it calls "the industry's most ambitious market-research program ever undertaken by a single company"....Hitachi's first-ever mini-component system, the J-2, is priced to sell for \$800....Ultimate Performance Product's Joggercise software for portable stereo cassette players.

SHOW STOPPERS

\$1 million in \$1 bills, in a glass case that stands 15 feet high, on display in the Magnavox booth along with an ad explaining "how you can make \$1 million selling Odyssey"; an armed guard is there, too....RCA's 15-foot-tall Mall exhibit of CED videodisc albums....JVC's multi-screen VHD/AHD videodisc/digital audio disc demonstration on the Mall....The models on the mechanical bucking bronco in the Technidyne booth....The "Solid Gold Cadillac" in the Marantz booth, in which the company's new Gold Series auto components are on display....The palm-size LCD television sets being shown in prototype by Hitachi and Toshiba....A "sound comparator" in the Koss exhibit which you can use to conduct your own A/B test between the sound of the company's tiny personal stereo AM/FM radio, the Music Box, and that of a full-size stereo receiver.

SANYO JOINS DIGITAL AUDIO RACE WITH TINIEST MINI-PLAYER

Sanyo is demonstrating a compact audio disc player that's considerably smaller than the prototype DAD players being exhibited by Sony and Marantz. The Sanyo unit -- about 9 inches wide, 8 inches deep and 3 inches high, has a clear plastic hinged cover and looks like the 45-RPM record players of the '40s. The Sanyo, Sony and Marantz players are all compatible. S/N ratio and channel separation are rated at 90dB, and THD is 0.05 percent, compared with 2 to 3 percent or more for standard records. Prices of the little laser turntables have not yet been set, and delivery won't begin until software is available -- probably a couple of years from now. The compact digital disc system was jointly developed by Sony and Philips, and many software licensing agreements are under way.

YAMAHA CHARTS NEW DIRECTION, NAMES NEW EXECS, BEGINS 'A NEW ERA'

"I'm here to tell you that the audio business is strong, it's well, and we have a lot of back orders." That's how Don Palmquist, the new executive vice president of "The New Yamaha," viewed things last night at a reception held to announce the company's new direction and to introduce a whole stage full of new executives. The reception was held to celebrate the fact that Yamaha's Audio Division has become a separate company, Yamaha Electronics Corp. Special guest was Michio Kondo, formerly of Yamaha's parent firm, Nippon Gakki, who has been named president of the new company. Also introduced were Palmquist; Vic Ohta, also named an executive vice president, and Jay Eagle, promoted from an assistant division manager to sales division manager. Palmquist said Yamaha realizes that "the audio business has changed in the last couple of years" with the increased popularity of one-brand systems and with new categories of customers. Although the company will do nothing to disrupt its commitment to quality, said Palmquist, it will "certainly" direct its efforts toward serving all segments of the audio industry's changing market.

PEOPLE

Susan Schreiner, Schreiner Associates, Boston, has landed the Showtime Video Ventures account and plans an aggressive publicity campaign directed towards consumer and trade press...Acoustic Research names Rick Sands director of sales and marketing.

LEISURE TIME ELECTRONICS REPORTS, Published by Leisure Time Electronics, 124 East 40th Street, New York, N.Y. 10016 (212) 953-0230. Bob Citelli, Editor; Anna Ellns, Managing Editor; Mark Andrews, Executive Editor; Kathleen Lander, Associate Editor; Stephen Bentkover, Publisher.

NARM 1981 VIDEO RETAILERS CONVENTION

"THE TIME IS NOW!"



AUGUST 10-13, 1981 ■ GRAND HYATT HOTEL ■ NEW YORK CITY

Video software retailers will meet at the first annual NARM Video Retailers Convention to share ideas, plan for opportunities and develop lines of communication and avenues of understanding with video software manufacturers and wholesalers. Yes, THE TIME IS NOW for a national meeting that focuses on the needs of the video dealer.

THE TIME IS NOW! GENERAL BUSINESS SESSIONS feature leading merchandisers as keynote speakers; special guest speakers; taped consumer interviews; a Presidents panel, and an opportunity to find out how your rental or exchange program stacks up against those of other key dealers.

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THE TIME IS NOW! PRODUCT PRESENTATIONS high-

light the new fall releases so you can prepare your ad budgets, merchandising programs and promotional plans for the upcoming Christmas selling season.

THE TIME IS NOW! A RETAIL SALES EXPERT teaches sales techniques that can help make the difference between profit and loss.

THE TIME IS NOW! MANUFACTURER/RETAILER CONFERENCE SESSIONS allow you to sit face to face with manufacturers and other suppliers at scheduled afternoon meetings.

THE TIME IS NOW! SOCIAL FUNCTIONS including breakfasts, lunches, cocktail receptions, dinners, and a special gala event, afford you the opportunity to greet old friends and make new ones.

THE TIME IS NOW to register for the NARM 1981 Video Retailers Convention, to be held August 10-13, at the Grand Hyatt Hotel in New York City.

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**LTE is not just another trade magazine.
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- 1** It's a magazine doing a job that nobody else is doing and which needs to be done.
- 2** LTE is a publication that's read cover to cover with solid statistics, loads of product news, and a complete analysis in every merchandising story of exactly how successful retailers run their stores.
- 3** Only one year old, our circulation has climbed to over 45,000 readers and continues to grow every day.
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